Waco Tribune Herald (Texas)
May 31, 2005

CAFTA is Necessary to Help U.S. Stay Ahead of Emerging Markets

Transportation and communication breakthroughs shrink the world and grow the global economy.

The United States must not succumb to outdated protectionist arguments at a time when other nations are banding together to leverage their trading power.

Regrettably, a strong special-interest lobbying effort is under way in Congress to prevent lawmakers from implementing the Central American Free Trade Agreement, or CAFTA. CAFTA is the needed next step to bring in more trading partners with the United States, Mexico and Canada, the three partners in the the North American Free Trade Agreement, or NAFTA.

The proposed expansion of this trading pact would include five nations in Central America — Costa Rica, El Salvador, Nicaragua, Honduras and Guatemala — and the Dominican Republic.

The benefits that would come from implementing CAFTA are numerous.
For starters, the CAFTA nations represent the second-largest export market for the United States throughout Latin America. In total, trade with the the six CAFTA nations is valued at more than $15 billion.

Currently, 80 percent of the trade from the six CAFTA countries enters the United States duty-free while U.S. goods entering those countries must pay high tariffs. Under CAFTA, trade barriers would be equalized.

CAFTA also could help the United States and the region by giving the CAFTA countries a needed boost when competing with China's huge emerging trading power. The U.S. trade deficit with China in textiles alone would be assisted by a marriage of U.S. fabrics with CAFTA garment manufacturers. This chance to compete with Chinese garment manufacturers would create jobs and expand economies in this hemisphere.

Adding jobs in Latin America strengthens the efforts of the United States to promote democratic governments at a time when Fidel Castro of Cuba and Hugo Chavez of Venezuela are attempting to undermine democracy and spread authoritarian socialism in Latin America.

Castro and Chavez are vocal opponents of CAFTA.

In the United States, CAFTA opponents include the sugar industry and labor unions.

The subsidized U.S. sugar industry would be barely affected by CAFTA. The U.S. sugar lobby has a history of aggressively resisting repeated calls to reduce government handouts.

Opposition from protectionist labor unions is expected. The unions offer no solutions to current trade deficits that threaten U.S. jobs. CAFTA offers a solution.

Some organized opposition also comes from U.S. environmentalists who insist that all CAFTA nations have stringent environmental standards.

CAFTA offers a real hope for improved environmental standards. The current situation does not.

CAFTA, like NAFTA, will benefit the entire United States, and Texas alone to the tune of an estimated $2 billion annually.

Congress should approve CAFTA.